

FINANCIAL footnotes

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Announcing New Account Management Tool

The Alaska DRB is excited to announce a new account management tool available to participants in both the SBS and DCP Plans: **Rebalancer**.

What is Rebalancer?

Rebalancer allows you to design and maintain your asset allocation mix by allocating a certain percentage of your assets in each available investment option. Then you would “rebalance” if your allocation mix changes over time. You choose how frequently your portfolio is rebalanced: one time, quarterly, semi-annually or annually.

Why should I use Rebalancer?

Rebalancing your asset allocation mix allows you to:

- Bring your investment allocation mix back to your original target mix.
- Maintain your target mix to meet your long-term objective(s), automatically, at a frequency you select.

How does Rebalancer work?

Here’s a hypothetical example of a participant’s account. Jim has \$45,000 in account assets. Jim wants to keep his assets allocated with 25% in a Fund A, 50% in Fund B and 25% in Fund C. (See Figure 1.)

But every day the market changes. Prices of Jim’s available investment options fluctuate with the prices of the underlying stocks or bonds.

Consequently, the values of each of the investment options in Jim’s account change, as well as his asset allocation mix changes.

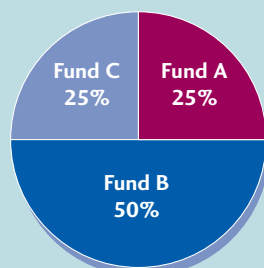


Figure 1

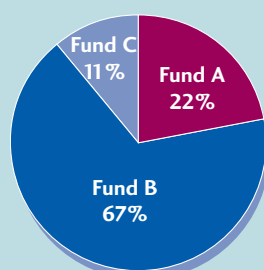


Figure 2

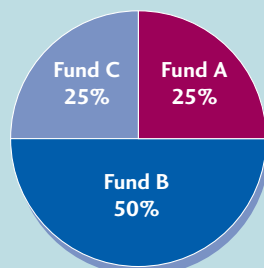


Figure 3

Before Jim uses Rebalancer, his asset allocation mix has changed to 22% in Fund A, 67% in Fund B and only 11% in Fund C. (See Figure 2.) However, Jim wants his asset allocation back to his original target mix.

Once Jim uses Rebalancer, his account is automatically adjusted so his assets return to Jim’s original target mix of 25% Fund A, 50% Fund B and 25% Fund C. (See Figure 3.)

How do I use Rebalancer?

You may access Rebalancer through the Web site at www.state.ak.us/drbb.^{*} Under “**Programs**” click on the Plan that applies to you. Next, click on “**Account Information Online,**” and enter your Social Security Number and Personal Identification Number. Click on “**Change,**” then “**Rebalancer**” and follow the instructions. You may also rebalance your account through KeyTalk® by calling **1-800-701-8255**.^{*}

Although Rebalancer does not assure a profit or protect against loss, it helps keep your account balanced to your specification. Just remember to continue rebalancing through periods of price fluctuation.

Do you need a PIN or want to change yours?

To order a new PIN, you can:

1. Call KeyTalk® by dialing **1-800-701-8255**
 6:00 a.m.–5:30 p.m. (Alaska Time)
 Monday–Friday.

OR

2. Call 1-800-232-0859
 3:00 p.m.–5:30 p.m. (Alaska Time)
 Just stay on the line, and your call will be transferred to a customer service representative.

You may also request your PIN over the Internet at www.state.ak.us/drbb. Under “Programs,” click on the Plan that applies to you. Then click on “**Account Information Online**” and “**Order PIN**”.

Your PIN will be mailed to your address currently on file. Please allow 7 to 10 business days for delivery. To change a PIN, call KeyTalk® and select **Option 4: Change PIN**. The account owner is responsible for keeping the assigned PIN confidential. Please contact Great-West Retirement ServicesSM if you suspect any unauthorized use.

Important SBS Investment Option Updates

The State of Alaska Deferred Compensation Plan recently sent you information regarding changes to the investment options available in the SBS Plan. Effective October 25, 2004, the Short-Term Investment Fund was discontinued and future contributions and existing account balances were mapped to the new Stable Value Fund.

The addition of the Stable Value Fund to the SBS Plan was also effective October 25, 2004.

The objective of this fund is to preserve principal and to offer a competitive rate of interest consistent with the preservation of capital. It was opened to all participant transactions on October 26, 2004.

For more information on the Stable Value fund, please access the Web site at www.state.us/drb. Under “**Programs**”, click on “**Supplemental Annuity Plan**” then “**Investment Option Detail Sheets.**”

Online File Cabinet®—Simplify Your Life

Online File Cabinet® can help simplify your life! You can access, view and print your important retirement savings plan information online.

Here's how it works:

First, your statements are posted to Online File Cabinet®. Then, instead of receiving your statements by mail, you receive an email when statements are ready. The email contains a link to the secure Web site where you can view or print from the Online File Cabinet®.

Statements will be stored, so you'll be able to access, view and print your statements any time—at your convenience. You can also download and save all electronic statements.

It's that easy.

Simplify your Life—You'll Always Know Where your Statements are

- Eliminate the stress of trying to remember where your statements are. Online File Cabinet® archives them neatly for you.
- Recover the time you devote to filing your statements.
- No more wasted paper. No more hassle.

Completely Secure and Confidential—You Control Access

- Login information is required for access. Your account information is completely under your control.

Convenient Account Management—Anytime, Anywhere

- Access is fast and easy—just a click away on the Internet.
- Explore the Web site, monitor your account and get important Plan updates while retrieving your statement.

Getting Started is as Easy as 1-2-3—Now is the Time to Start

Log on to your secure Web site at www.state.ak.us/drb. Under “**Programs**” click on your Plan. Then click on “**Account Information Online,**” and enter your Social Security Number and Personal Identification Number. Once you are logged in, click on “**Online File Cabinet®**” at the top of the page and follow these easy steps:

1. Review the Online File Cabinet® Agreement;
2. Check the electronic delivery option box;
3. Provide your email address and click on Submit.



Sign-Up Today at the “Account Information Online” Web Site!

*Access to KeyTalk® and the Web site may be limited or unavailable during periods of peak demand, market volatility, systems upgrades/maintenance or other reasons. Transfer requests made via the Web site or KeyTalk® received on business days prior to close of the New York Stock Exchange (4:00 p.m. Eastern Time or earlier on some holidays or other special circumstances) will be initiated at the close of business the same day the request was received. The actual effective date of your transaction may vary depending on the investment option selected.

Great-West Retirement ServicesSM

Please Note: This newsletter does not constitute investment or financial planning advice.

We'd like to hear from you. Please send your questions/comments to:

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For account or investment-related issues, contact:

KeyTalk®: 1-800-701-8255*

www.state.ak.us/drb*

(TDD: 1-800-766-4952)